

\$5,000,000 of government three per cent, securities, which the Secretary of the Treasury had notified the President of the bank as early as March 24, 1832, would be paid from the surplus revenues. A contract was made through a private agent of the bank for extending these securities, which were to be assumed by the bank and the interest paid to the government. The object was to retain possession of the public money, on deposit with the bank, which was worth seven per cent, in the discount market, rather than permit it to be withdrawn for the redemption of the debt. When the circular of the Barings got into the newspapers in October, Biddle was obliged to disavow the contract and made a lame explanation to Secretary McL^ane for seeking to delay the payment. The other case was the attempt to collect damages upon the amount of a bill of exchange drawn upon the French government, which was refused payment by the French Minister of Finance, because the money had not been appropriated by the Chambers. The bill was taken up by the Paris agents of the bank, and charged against it. Secretary McL^ane paid the principal, 555961,240, which had been covered into the Treasury, back to the bank and offered to pay actual costs. The bank insisted upon fifteen per cent, damages, under a law of the District of Columbia relating to protested paper, and deducted the amount from the government dividends. The government sued and the Supreme Court decided against the bank.

Performances like these on the part of President Biddle convinced Jackson that the bank was weak and confirmed his purpose to suspend the further deposit of public monies in its custody.¹ Mr. McL^ane was transferred from the Treasury to the State Department during the spring of 1833 and William J. Duane of Pennsylvania was made Secretary of the Treasury. Duane was a conservative and able lawyer, with little of the politician in his make-up, and when

¹ Jackson also believed that if the bank retained the public funds, it would be able to buy up the votes in Congress necessary to make two-thirds and pass a recharter bill over his veto.—Sumner, *Andrew Jackson*, 299.